

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 SS-15 L-02 INR-07 SP-02 /040 W

----- 023420

R 041630Z FEB 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 9251

INFO AMEMBASSY GEORGETOWN

LIMITED OFFICIAL USE SAN JOSE 0474

STADIS////////////////////////////////////

E.O. 11652: N/A

TAGS: EINV CS

SUBJECT: ROLE OF OPIC IN INVESTMENT DISPUTE SETTLEMENT

1. DURING THEIR RECENT VISIT TO SAN JOSE FOR VERY SUCCESSFUL SEMINAR, OPIC OFFICIALS PRESSED ON EMBASSY OFFICERS THE VIEW THAT IT IS A POSITIVE ADVANTAGE TO USG TO HAVE OPIC INVOLVED (THROUGH INSURANCE OR GUARANTEE PROGRAMS) IN SENSITIVE NATIONALIZATION CASES WHEN THEY OCCUR. THE ARGUMENT GOES THAT OPIC HAS ESTABLISHED AN ENVIABLE TRACK RECORD OF AMELIORATING DISCORD AND PROMOTING SUCCESSFUL NEGOTIATIONS BETWEEN AFFECTED COMPANIES AND THE GOVERNMENTS CONCERNED, THUS MINIMIZING GREATER POLITICAL DAMAGE TO OVERALL U.S. INTERESTS THAT WOULD PROBABLY ENSUE IF OPIC WERE NOT INVOLVED. MOREOVER, OPIC REPRESENTATIVES ARGUED THAT THE INVESTMENT DISPUTES WOULD LIKELY ARISE ANYWAY (THIS ASSUMES THAT THE INVESTMENT WOULD BE MADE WITH OR WITHOUT OPIC), THAT THE USG WOULD THUS BE CONFRONTED WITH PROTECTION RESPONSIBILITIES, AND THAT OPIC COULD PLAY A HELPFUL ROLE. THERE WAS ALSO THE SUGGESTION THAT BECAUSE OF ITS INVOLVEMENT OPIC IS IN A BETTER POSITION TO PUT THE ARM ON RECALCITRANT U.S. COMPANIES TO UNDERTAKE MEANINGFUL NEGOTIATIONS. THE RECENT CASE OF GUYANA WAS ESPECIALLY CITED AS AN OPIC SUCCESS STORY.

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2. A CONTRARY VIEW, OF COURSE, IS THAT THE USG IS MORE

LIKELY TO BE IDENTIFIED WITH AND CAUGHT IN THE MIDDLE OF  
UGLY INVESTMENT DISPUTES IN SENSITIVE SECTORS OF THE  
ECONOMY IF OPIC PROMOTES PROJECTS IN THOSE SECTORS THROUGH  
INSURANCE AND GUARANTEES.

3. THE EMBASSY IS AWARE THAT THIS DEBATE HAS BEEN GOING  
ON FOR YEARS, BUT WE WOULD WELCOME THE DEPARTMENT'S CURRENT  
VIEWS ON RELATIVE ADVANTAGES AND DISADVANTAGES OF OPIC  
INVOLVEMENT IN SENSITIVE ECONOMIC SECTORS.  
LANE

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 FEB 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
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